



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	HB0408	Title:	Presumption of covered diseases for firefighters under work comp
Primary Sponsor:	Pomnichowski, JP	Status:	As Amended - Revised

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|--|---|--|
| <input checked="" type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
General Fund	-----	Cannot Be Determined	-----	-----
Revenue:				
General Fund	-----	Cannot Be Determined	-----	-----
Net Impact-General Fund Balance:	-----	Cannot Be Determined	-----	-----

Description of fiscal impact: Within the context of Montana's overall workers' compensation system the fiscal impact of this legislation as amended is likely to be negligible according to the National Council on Compensation Insurance (NCCI). However, according to NCCI, the rates associated with the individual classification code for firefighters may result in an increase of 3% to 31%.

FISCAL ANALYSIS

Assumptions:

1. As indicated in the As Amended version of the fiscal note for HB 408, the State Fund requested the National Council on Compensation Insurance (NCCI) to provide an analysis of the fiscal impact of the bill as amended. This revised fiscal note reflects the NCCI analysis.
2. The bill will only pertain to firefighters.
3. NCCI estimates the fiscal impact would be negligible to the overall workers' compensation system cost in Montana.
4. NCCI estimates the fiscal impact may result in increased costs for the firefighters' classification code and may result in an estimated increase of between 3% and 31%.

5. NCCI's analysis for the bill, as introduced, states "...the proposed language would seem to create a presumption for *any* disease ("...who through exposure to hazardous substances on the job has contracted a disease, including..."), NCCI only considered the cost impact of the listed cancers and diseases in this analysis." This portion of the analysis continues to pertain to the bill as amended.
6. The presumptive diseases to be covered by this bill are: heart disease, lung disease, bladder cancer, brain cancer, breast cancer, cancer of the blood or lymphatic systems, leukemia, non-Hodgkin's lymphoma, multiple myeloma, malignant melanoma, cervical cancer, colorectal cancer, cancer of the digestive system, kidney cancer, liver cancer, lung cancer, ovarian cancer, prostate cancer, skin cancer, testicular cancer, ureter cancer, tuberculosis, hepatitis A, B, C, or D, human immunodeficiency virus, diphtheria, hemorrhagic fever, meningococcal disease, and rabies.
7. The diseases noted are covered under the Workers' Compensation system currently if there is medical evidence that the disease is work related. Currently, if the injured employee files a claim, their general practitioner will make a diagnosis and provide the medical evaluation to the insurer. The insurer will do an independent medical evaluation and research medical evidence of the causality of work. Based on findings the claim may be accepted or denied as provided in workers' compensation laws. The Workers' Compensation Court will decide all contested claims.
8. The presumptive diseases cited in the bill are broad categories for many types of more specific diseases that may be common, rare, curable or non-curable. For example, 'heart disease' encompasses; coronary heart disease (most common type of heart disease), heart attack, high blood pressure, Ischemic heart disease, heart rhythm disorders, tachycardia, heart murmurs, rheumatic heart disease, pulmonary heart disease, and hypertensive heart disease (list not all inclusive).
9. As workers' compensation claims, these presumptive diseases will be covered from the first dollar of expense (no deductible) and will have no lifetime limits on coverage. Lost wages and fatality benefits to beneficiaries are likely expenses of these claims.
10. State agencies employing firefighters and providing for their workers' compensation insurance coverage, will incur increased premium payments. There will not be an immediate increase in premiums but premium increases will occur over time as claims are filed and losses develop.

Effect on County or Other Local Revenues or Expenditures:

1. Local governments employing firefighters and providing for their workers' compensation insurance coverage, will incur increased premium payments in future years.

Long-Term Impacts:

1. The state and other funds supporting the workers' compensation premiums of firefighters will see increased premiums in future years though the amount of the increase cannot be determined.

Sponsor's Initials

Date

Budget Director's Initials

Date